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Insurance Department Press Release

For Immediate Release
February 22, 2000

Insurance Commissioner Announces Proof of Claim Process for Tufts Health Plan of New England, Inc. Policyholders, Subscribers and Providers

Paula T. Rogers, Commissioner of the State of New Hampshire Insurance Department, announced today that the process for filing claims against beleaguered Tufts Health Plan of New England, Inc. (TNE) will begin the week of March 6th when proof of claim notices are mailed to over 160,000 potential claimants. The proof of claim process will be used to resolve all claims against TNE, which was placed into liquidation January 3, 2000.

An open meeting to explain the process and answer questions is scheduled for Wednesday, March 8, 2000 from 2:00 to 4:00 p.m. at the Sheraton Harborside Portsmouth Hotel & Conference Center in the Harbor's Edge Room in Portsmouth, NH.

TNE was an operating health maintenance organization with 145,000 members in New Hampshire, Maine and Rhode Island until the board of directors of its Massachusetts-based parent, Tufts Health Plan, voted to stop subsidizing TNE losses on November 18, 1999. That board action prompted the New Hampshire Insurance Department to place TNE into court-ordered rehabilitation during which time the Department sought a possible buyer for all or some of TNE's business and pursued various rehabilitation options.

When a buyer failed to emerge and with the continued erosion of the financial condition of TNE, Commissioner Rogers filed a petition with Merrimack County Superior Court on December 20, 1999 to seek approval to liquidate TNE. The liquidation order was effective January 3, 2000, and all of the Company's health coverage ended on February 2, 2000.

According to Commissioner Rogers, who was appointed Liquidator by the court, the proof of claim process will identify, classify and verify all claims against the liquidation estate in accordance with New Hampshire law. "It is our intention to send a notice to any provider, member, employer, broker, state or local government entity or any other general creditor who did business with TNE during 1999. If anyone has a claim against TNE or believes that TNE owes them money, filing a proof of claim is the only way one can preserve his or her right to payment against TNE."

To have a claim considered by the Liquidator, the proof of claim form must be completed with the required supporting documentation attached. The form and documentation must be filed with TNE by July 10, 2000. After all claims have been submitted and reviewed, the extent to which the claims can be paid from the assets of TNE will be determined. "We are currently marshalling the total assets of the estate which will enable us to determine the estate's capacity to pay claims," Commissioner Rogers said.

Commissioner Rogers acknowledged that the proof of claim process is lengthy. Once the claim is made, acknowledged and reviewed, reconciliation to the TNE records must occur. At that point, a notice of determination is sent to each claimant and a liquidity analysis is performed. Payment recommendations are made and the plan for payment is submitted to the court. "The earliest that is likely to occur is fall 2000," according to the Commissioner.

Questions about the process or requests for assistance in completing the proof of claim form can be directed to a special toll-free number, 888-766-9816, that will be activated as of March 6th. Copies of the form can be downloaded from the New Hampshire Insurance Department at www.state.nh.us/insurance and the Maine Bureau of Insurance at www.maineinsurancereg.org. Rhode Island claimants can access these web sites or contact the Department of Business Regulation in Rhode Island at 401-222-2223.